

# FAIR HOUSING PLAN 2015

& ANALYSIS OF IMPEDIMENTS

CITY OF MIDLAND | PLANNING & COMMUNITY DEVELOPMENT





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BY COUNCILMAN WAZBINSKI

WHEREAS, the City of Midland is a designated entitlement city of the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program; and

WHEREAS, it is required that the City prepare a Fair Housing Plan which includes an analysis of impediments to fair housing choice and outlines the goals and objectives to affirmatively further fair housing within the ensuing five years; and

WHEREAS, through multiple community input opportunities and through a thorough analysis of community needs information and data, a set of goals and objectives has been developed to best affirmatively further fair housing within the city; and

WHEREAS, a 30-day public comment period was advertised beginning May 10, 2014 and ending June 9, 2014, for the purpose of receiving public comment on the 2015 Fair Housing Plan; and

WHEREAS, two public input sessions were advertised on June 21, 2014 and held on July 9, 2014 at 3:00 p.m. & July 10, 2014 at 5:00 p.m. in the City Council Chambers Overflow, City Hall, 333 West Ellsworth Street, Midland, Michigan, for the purpose of receiving public comment on the 2015 Fair Housing Plan; and

WHEREAS, on June 1, 2015, the Housing Commission unanimously recommended approval of the proposed 2015 Fair Housing Plan; now therefore

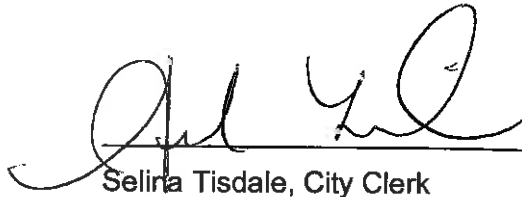
RESOLVED, that the City Council hereby approves the proposed 2015 Fair Housing Plan.

YEAS: Arnosky, Brown Wilhelm, Donker, Wazbinski

NAYS: None

ABSENT: None

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a 4/0 yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, June 22, 2015.

  
Selina Tisdale, City Clerk

# City of Midland Fair Housing Plan 2015

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## I. Introduction and Executive Summary of the Analysis

Federal and state laws protect against discriminatory practices such as refusing to sell or rent to a member of a protected class, sexual harassment, quoting a difference in housing availability or terms, or refusing to rent or sell to a family or individual with children, or failing to provide or allow reasonable accommodations for a person with a disability.

As a Community Development Block Grant (CDBG) entitlement recipient of the US Department of Housing and Urban Development (HUD), the City of Midland considers and supports fair housing laws and obligations to halt discriminatory housing practices. In 2006, with assistance from the Legal Services of Eastern Michigan, a comprehensive Analysis of Impediments to Fair Housing study was completed for Midland County as a whole. This study is limited to the City of Midland, and as such, is a new Analysis of Impediments and Fair Housing Study for the City, as opposed to an update, and uses language from the 2006 study where relevant.

### A. Summary of Federal, State and Local Fair Housing Laws

The first attempt to ensure equal rights in the purchase or rental of housing dates back to the Civil Rights Act of 1866. Nearly 80 years later, in 1948, the US Supreme Court declared that deed restrictions that prohibited the sale of property or a home to persons based on race were not constitutional. In 1968, the Civil Rights Act of 1964 was amended to include Title VIII, now known as the Fair Housing Act, which prohibits housing discrimination on the basis of race, color, religion or national origin. This act was later amended in 1974 to add sex (or gender), and again in 1988 to add familial status (the presence of a person under the age of 18 or a pregnant woman) and disability as protected classes. Perhaps most important, the 1968 Fair Housing Act provided methods of enforcement of the provisions of the Act. Specifically, Section 804 (U.S.C. 3604) of the Fair Housing Act prohibits specific actions based on race, color, religion, national origin, sex, familial status or disability. Those actions include, with limited exceptions:

1. Refusal to sell: To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.
2. Discrimination in terms, conditions or privileges: To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.
3. Advertising that indicates preferences, limitation or discrimination: To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.
4. Refusal to make a dwelling available for inspection: To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that

any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, available.

5. Blockbusting: For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status, or national origin is prohibited.

The Act also prohibits the following in regards to mortgage lending based on the previously enumerated protected classes:

- Refusal to make or purchase a mortgage loan or provide information regarding loans
- Imposition of different terms/conditions on a loan or for purchasing a loan
- Discrimination in appraising property

While not all courts agree, most recognize home owners insurance as being covered by the Act - in large part because insurance is a prerequisite to obtaining a mortgage. In addition, while not a protected class within the Fair Housing Act, housing discrimination pertaining to household source of income such as tenant-based rental subsidies or public assistance has been addressed by HUD regulations for certain federally-financed or assisted housing programs. (For additional information, the HUD web site provides a complete listing of Federal Acts and Presidential Executive Orders that address housing discrimination.)

Finally, there are exceptions to the federal Fair Housing Act, which include:

- The sale or rental of owner-occupied buildings with no more than four units;
- The sale or rental of single-family housing without the use of a broker;
- Housing operated by organizations and private clubs that limit occupancy to members;
- Housing that meets the Fair Housing Act definition of "housing for older persons", provided that: 1) the U.S. Department of Housing and Urban Development has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program; or 2) it is occupied solely by persons who are 62 or older, or 3) it houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

With regard to state laws and local ordinances regarding housing discrimination, in 1976 the State of Michigan enacted the Elliot-Larson Civil Right Act, which in large part mirrors the federal housing law, but also added age and marital status as protected classes. In the same year, the State also enacted the Persons with Disabilities Civil Rights Act which, among other things, prohibited discriminatory practices in housing transactions including the refusal to allow reasonable modifications necessary for occupation of an apartment or house by a person with a disability.

## A. Who Conducted

The 2015 Analysis of Impediments to Fair Housing Choice (AI) was prepared by the City of Midland in accordance with the Fair Housing Guide, published by the U.S. Department of Housing and Urban Development (HUD) with assistance from Crescent Consulting, Inc. a private planning consulting firm.

## B. Participants

The City of Midland Housing Commission held two public community forums in July 2014 which included representation from realtors, housing non-profits and social service agencies. Some of the participants in these forums included representatives from Affordable Housing Alliance, Legal Services of Eastern Michigan and Caregiving Network.

## C. Methodology Used

The Analysis of Impediments involved the following process:

- A comprehensive review of the City's laws, regulations and administrative procedures, policies, and practices.
- An assessment of how those laws, etc. affect the location, availability, and accessibility of housing.
- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes.

The information needed to conduct the Analysis of Impediments included the following:

- City of Midland Zoning Ordinance and Master Plan.
- City of Midland tax assessment/abatement practices.
- US Census 2010 Demographics and American Community Survey Data, 2009-2013.
- Comprehensive Housing Affordability Strategy (CHAS) Data, 2011.
- Legal Services of Eastern Michigan Fair Housing Testing data, 2012-2014.
- 10-Year Plan to End Homelessness, 2006.
- 2006 City of Midland Analysis of Impediments to Fair Housing Choice.

## D. How Funded

The Analysis of Impediments was funded with \$5,000 from the Community Development Block Grant allocation for the City of Midland.

## E. Conclusions

### 1. Impediments Found

Equal and fair access to residential housing is fundamental to meeting essential needs and pursuing personal, educational, employment, and other goals. Because housing choice is so critical, fair housing is a goal the City and the private market must achieve if equality of opportunity is to become a reality. In general, barriers and issues preventing fair housing from being accessed by vulnerable populations such as racial minorities, low- to moderate-income individuals and the disabled include:

- Unequal socioeconomics by neighborhood limits access to housing, jobs, services, and transportation options. *Source: U.S. Census Bureau demographic data by census tract.*

- Residents are unable to find suitable housing for every life stage or income level within the same neighborhood, forcing residents to move from their neighborhood to a new neighborhood. *Source: U.S. Census Bureau housing data by type and contract rent by census tract.*
- Large swaths of the city feature homogeneous housing options, creating neighborhoods that are not responsive to changes in the housing market. *Source: U.S. Census Bureau housing data by type by census tract.*
- Increases in lending standards and lower real estate prices have turned many homeowners into renters and visa-versa, which presents new challenges of costs, benefits or rights under the law associated with their new occupancy status. *Source: Realtor.com and U.S. Census Bureau housing data.*
- Decreased funds from the US Department of Housing and Urban Development present challenges in providing assistance at the same level on an annual basis. *Source: Annual Community Development Block Grant entitlement awards.*

## 2. Actions to Address Impediments

These impediments are present in the City of Midland at varying degrees and are identified here so that as we explore the demographic, income and fair housing testing we may be able to determine the extent to which these or other impediments exist and take action to address them. This Analysis of Impediments to Fair Housing Choice will explore the barriers and will address ways to increase fair access to the housing residents require.

## II. Jurisdictional Background Data

### A. Demographic Data

This section provides an overview of population, income, employment and housing data for the City of Midland. Public transportation is limited to Dial-a-Ride and the County Connection, both demand response providers, and is not covered as a data item in this section or in the study as a whole.

Demographic information compares primarily the US Census of 2010 and the American Community Survey from 2008-2012 and 2009-2013 at the census tract level. Several tracts span outside the City's boundaries. In these instances, the maps and data show the entire census tract in an effort to include the entire city as well as populations that affiliate with the city for housing choices.

All maps are formatted showing census tracts this way, however, data in tables may show information about the City proper only or about all census tract within which any part of the City is present. Each table will indicate the nature and source of the data.

*Data alert:* It is important to take note of the very small sample sizes that are being used to map the data by tract. In many cases the margin of error for the 2008-2012 or the 2009-2013 American Community Survey data is larger than the findings themselves, which means that the data are only intended to show general characteristics in the City on a map, and are not reliable from a statistical standpoint, nor may they be used for purposes of determining actual location or causation of any presumed impediments to fair housing.

In the same way, the sample size and margins of error of aggregate data for all tracts, either as mapped or in table format, prohibit creating any reliable statistical measure intended to show proof of discrimination in housing alternatives. Often regression analysis, intended to show a correlation among household type, race, and housing type, for instance, is used to highlight a commonality of sorts, and therefore a potential impediment to fair housing.

In the previous Fair Housing Plan for the City, an index of dissimilarity was used, which examined the percentage of each minority population by tract or township (the previous study included the county as a whole) and concluded that there was discrimination in housing because each minority population was not equally represented in each tract or municipality. The data used in the index was an accurate factual portrayal of the location of minority populations, but could not be used to conclude anything regarding discrimination with statistical reliability.

In this study we will examine the data and draw factual conclusions where possible, followed by qualitative conclusions, informed by the data, by those involved in the housing community, and the public, which will constitute our best information at this time. As with all worthy research, it is important to be persistent in seeking out other reliable data, both qualitative and quantitative, and be ready and willing to augment the study when it becomes available, reexamine conclusions, and change results if merited. The City of Midland is committed to doing this.



**Table 1 – City of Midland Population Comparison, 2000 – 2013**

Race	2000		2013		2000-2013
	#	%	#	%	Change as % of population
White	38,924	93.4	38,265	91.0	-2.4
African-American	760	1.8	891	2.1	+0.3
American Indian or Alaska Native	122	0.3	176	0.4	+0.1
Asian	1,123	2.7	1,763	4.2	+1.5
Native Hawaiian or Pacific Islander	24	0.1	10	0.0	-0.1
Some Other Race	236	0.6	588	1.4	+0.8
Two or More Races	496	1.2	460	1.1	-0.1
TOTAL	41,685	100.0	42,153	100.0	+1.1
Hispanic or Latino origin	802	1.9	1,063	2.5	+0.6

Source: US Census 2000 and American Community Survey, 2009-2013

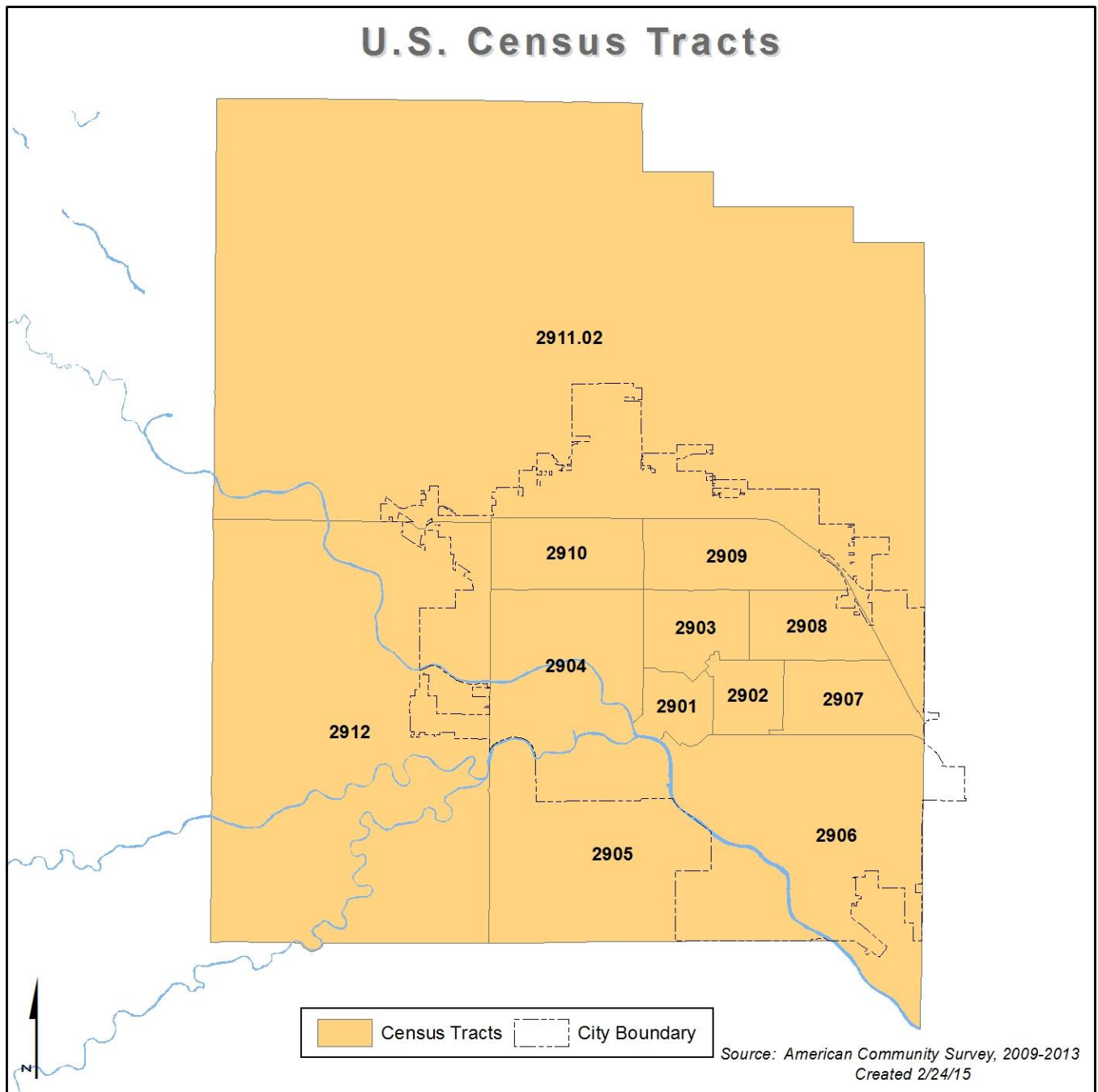
The census identifies five races, as shown in the table. Additionally, the census identifies those of “some other race”, meaning not belonging into one of the five identified races and “two or more races”, for those who are more than one of the identified races. People of Hispanic origin are represented in one or more of the races identified, and as such, the figure for people of Hispanic origin is not additive with any other figures in this table. Hispanic origin is identified as an ethnic minority by the Department of Housing and Urban Development (HUD) that may be used to discriminate in fair housing decisions.

Table 1 shows the population by race and Hispanic origin for the City of Midland for 2000 and 2013. The overall population of the City increased by just over 1% (1.1%) in the thirteen years. The City of Midland is almost entirely comprised of white people, with 91% of the population as white in 2013. The white and Native Hawaiian or Pacific Islander populations both decreased between 2000 and 2010, down 2.4% and 0.1% respectively. Those identifying as of Hispanic or Latino origin increased by 0.6%, some other race increased by 0.8%. The African American population increased slightly at 0.3%, as has the American Indian or Alaska Native population at 0.1%. These are very slight increases in non-white races and indicate a somewhat more diverse community with non-white people making up 9.0% of the population in 2013 (3,888) compared to 6.6% (2,761) in 2000.

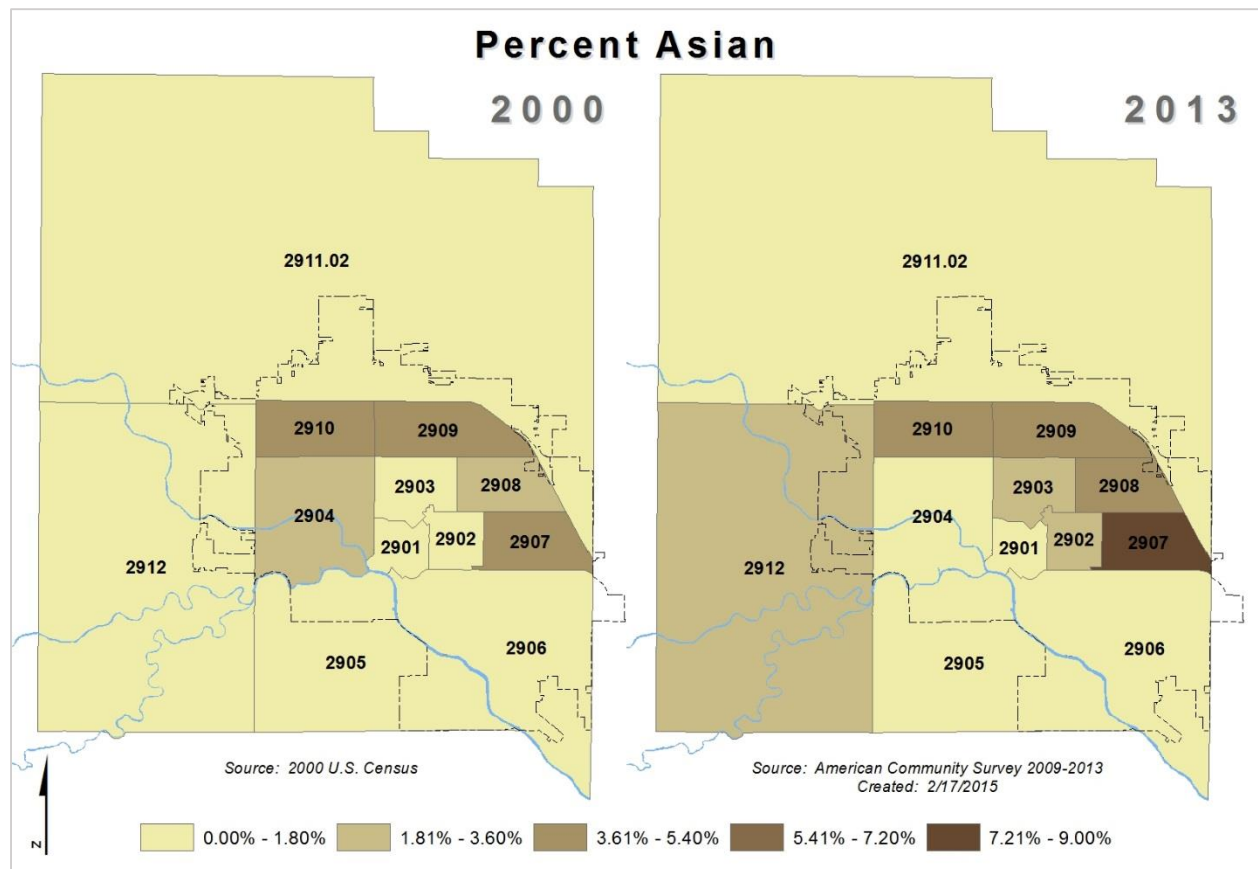
Maps 2-6 compare total population and population by race and/or ethnic background in the census tracts in the City. These are mapped to show any clear changes in location for specific races or those of Hispanic origin in an effort to identify if specific races and/or ethnicities live in specific areas of the City and why.

Given that the population of Native Hawaiian or Pacific Islander is very small and those identifying as “other races” is not group of the population that is identified by HUD as a protected class, these two categories of race are not examined further in this study.

Map 1 – Census Tracts

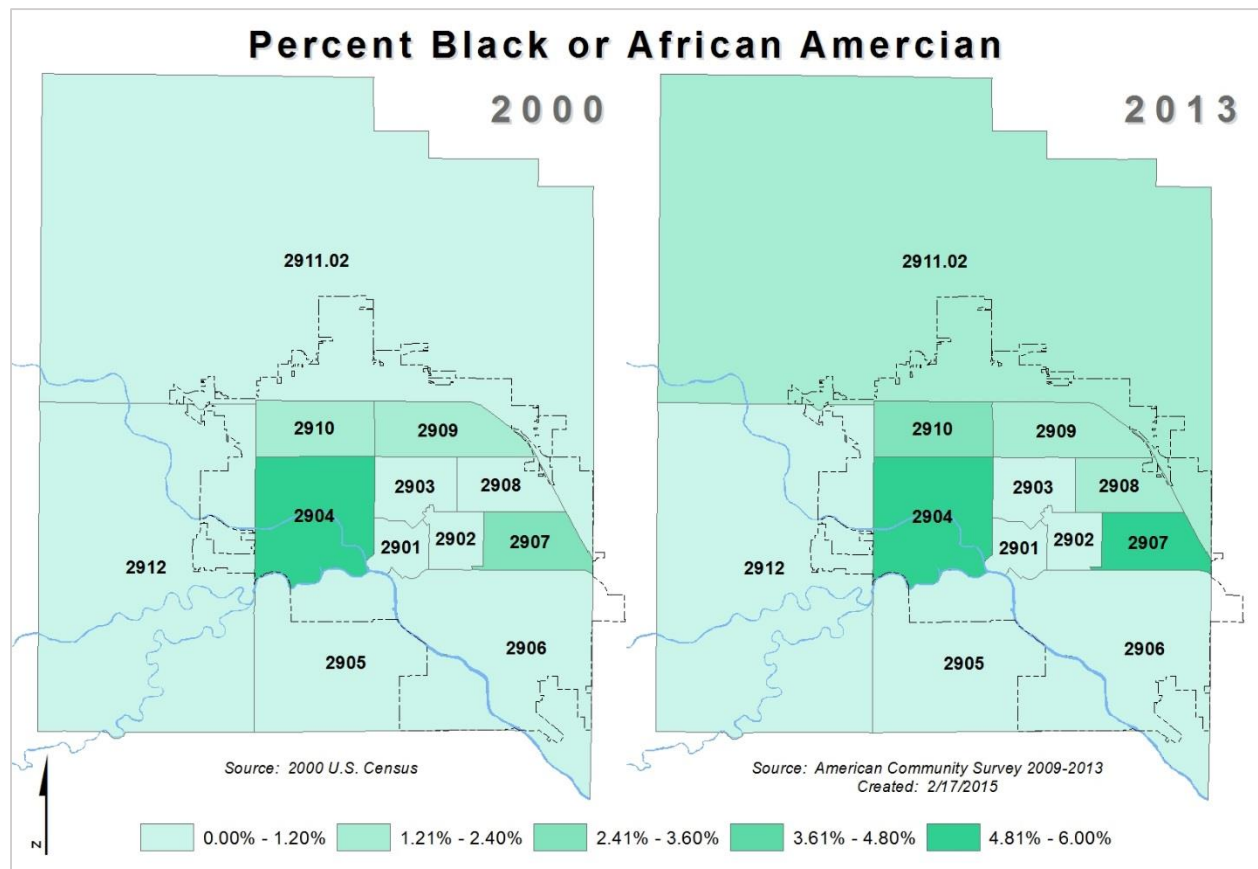


**Map 2 – Percent Asian by Census Tract, 2000 & 2013**



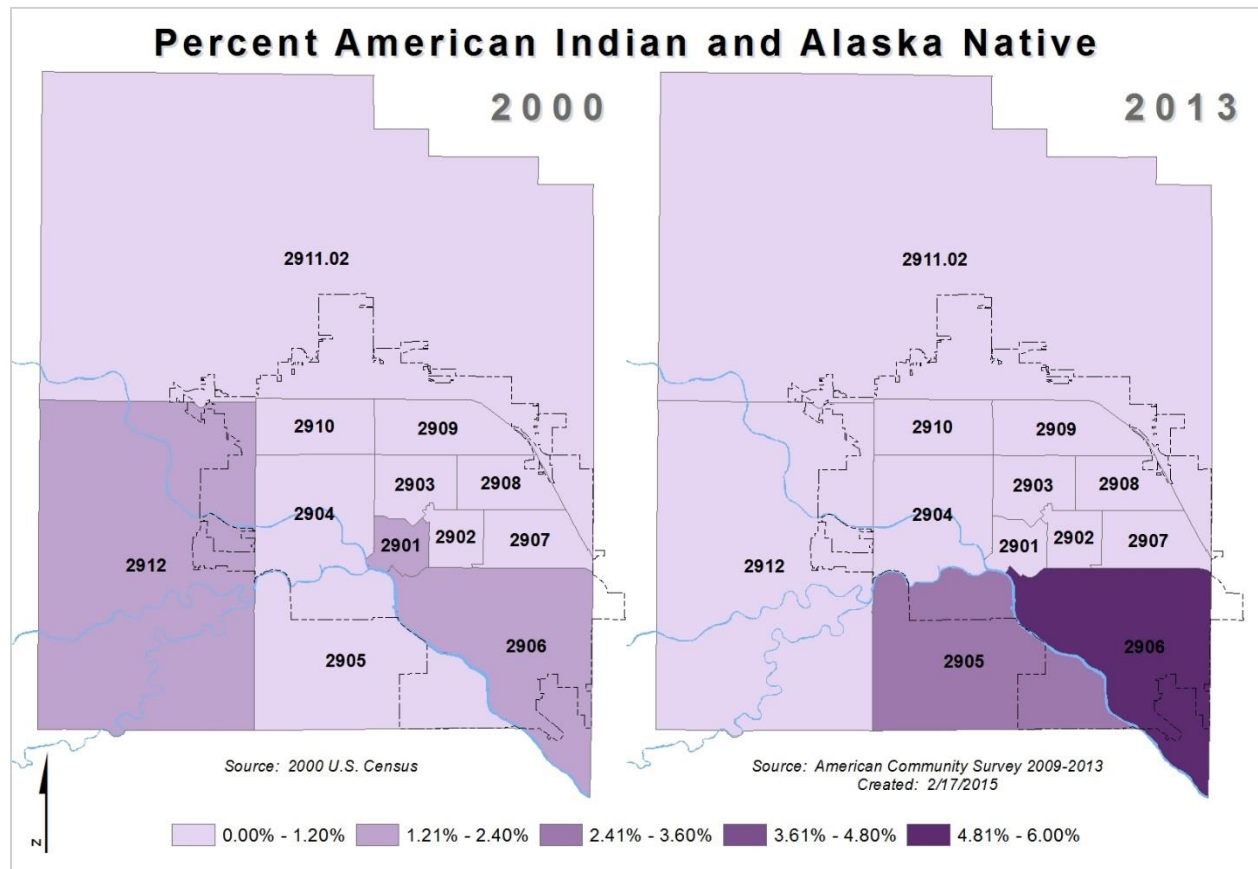
Comparing 2013 to 2000, the distribution of the Asian population has become less concentrated in the city and more spread out through other census tracts encompassing the city.

**Map 3 – Percent Black or African American by Census Tract, 2000 & 2013**



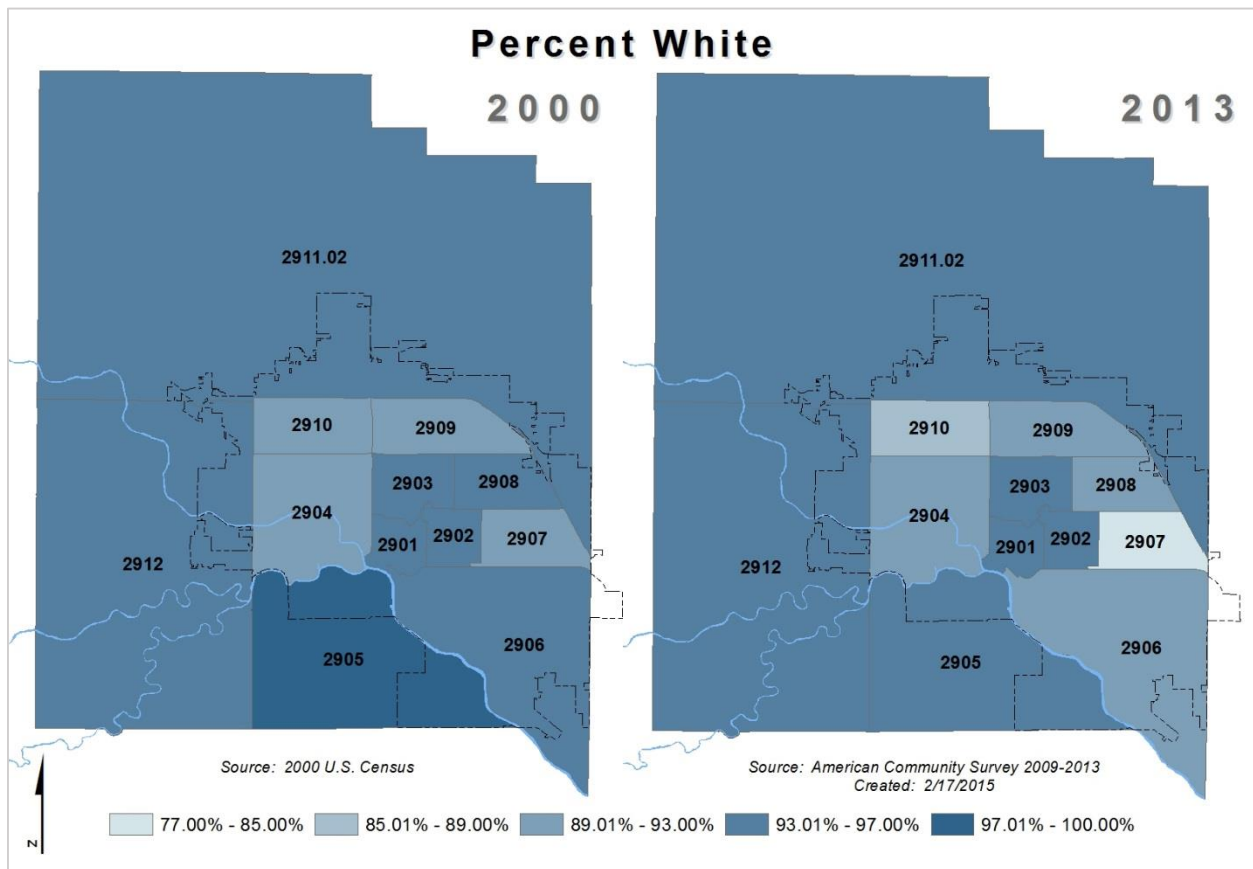
Comparing 2013 to 2000, a greater percentage of Black or African American residents live throughout the census tracts encompassing the city.

Map 4 – Percent American Indian or Alaska Native, 2000 & 2013



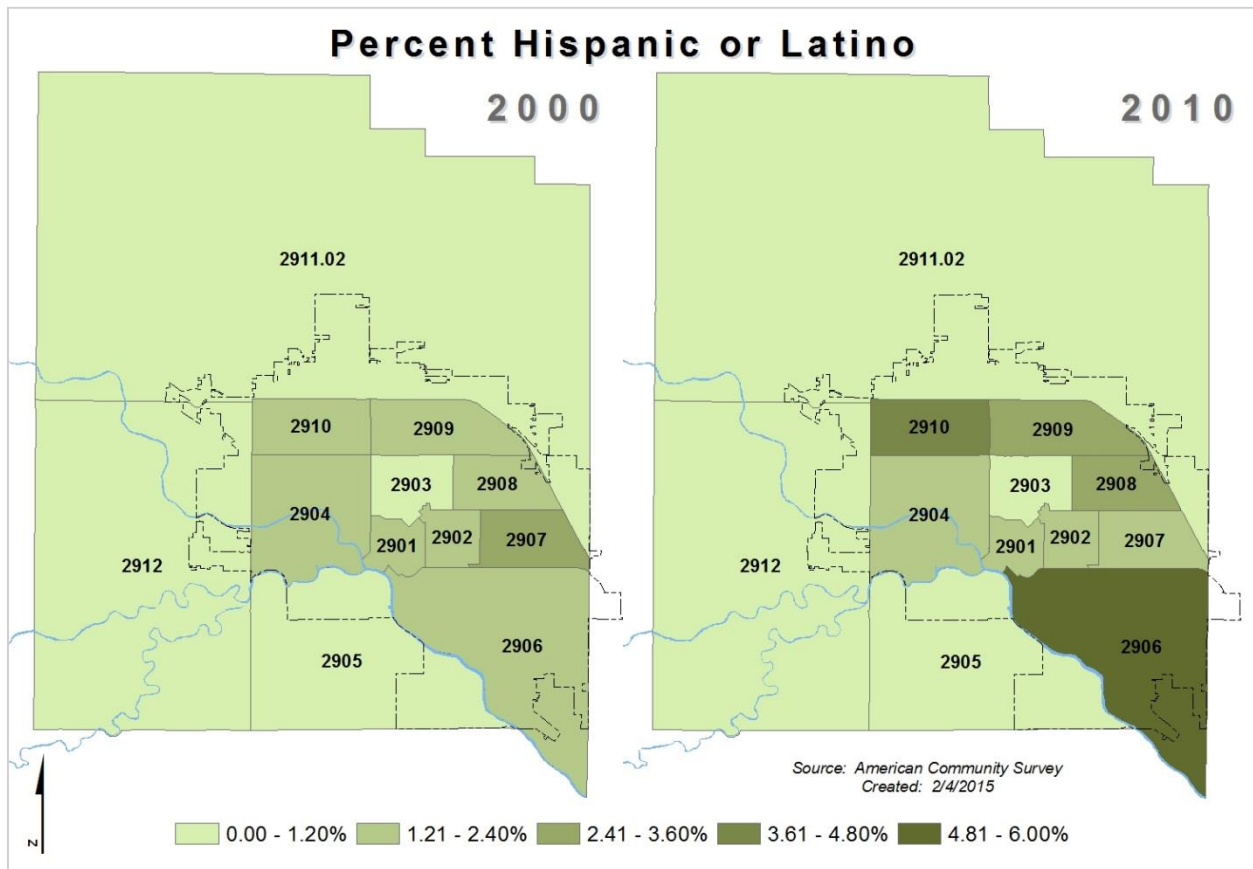
Comparing 2013 to 2000, the concentration of American Indian and Alaska Native residents has been to the southeast portion of the city in census tract 2906.

**Map 5 – Percent White, 2000 & 2013**



As a percent of total population, the White population has decreased or stayed the same between 2000 and 2013 in every census tract encompassing the city.

Map 6 – Percent Hispanic or Latino, 2000 & 2010



From 2000 to 2010, for which this data is most recently available, the concentration of Hispanic or Latino has increased in the southeast portion of the city in census tract 2906. Census tract 2910, 2909 and 2908 also have increased in the percent of residents identifying as Hispanic or Latino.

Table 2 shows household type by race as a percentage of the population of each race. This table indicates with shading, that the highest percentage of household type in the City are female householders with no husband or those living alone. Children may be present in each of these categories. This is consistent across all races and those of Hispanic origin.

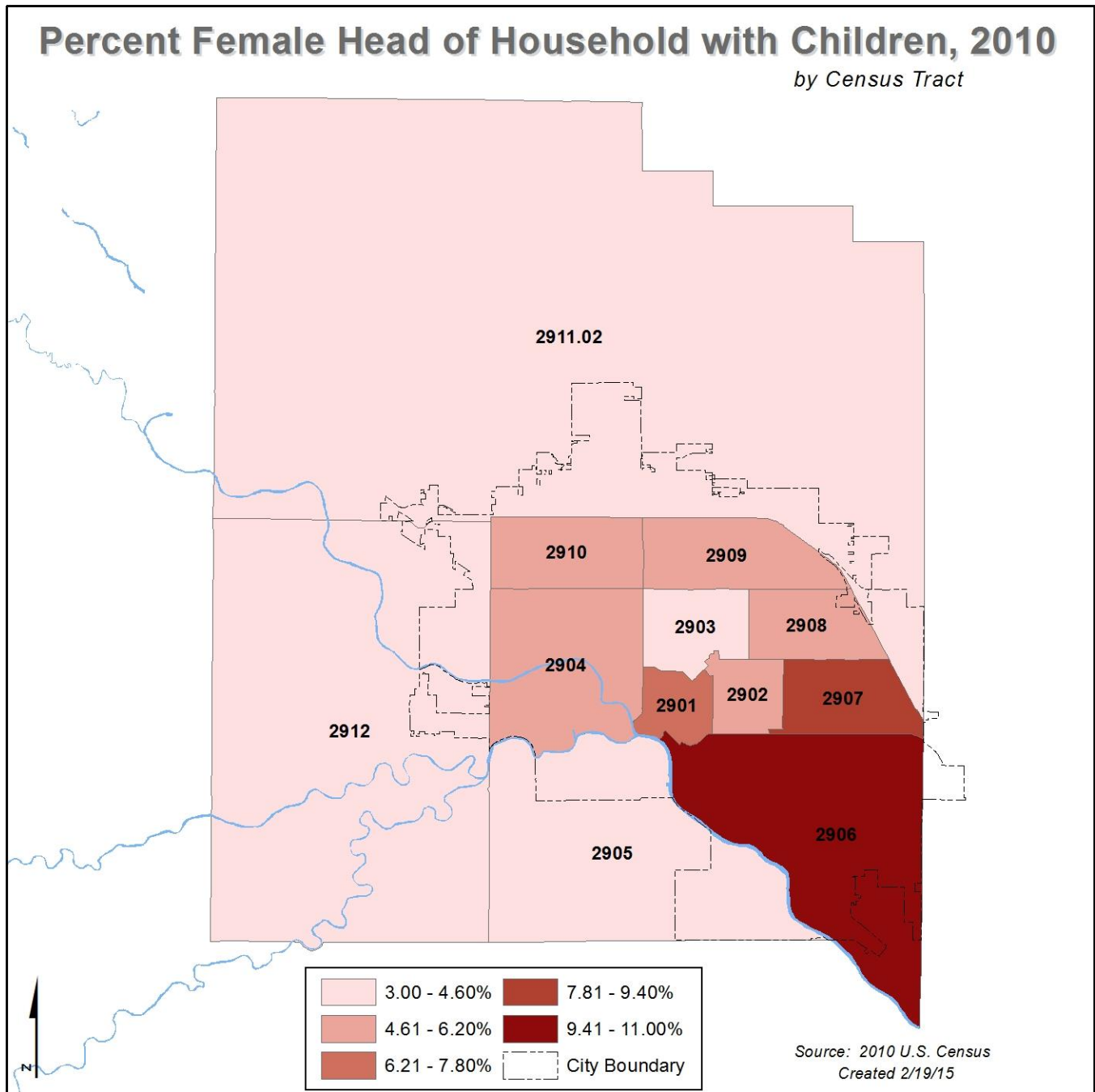
**Table 2 – Household Type by Race, 2013**

Family Type	White		Asian		Black or African-American		Hispanic or Latino	
	#	%	#	%	#	%	#	%
Family Households	9,826	60	443	74	163	57	148	46
Married couple	7,608	77	418	94	123	75	85	57
Other family	2,218	23	25	6	40	25	63	43
Male householder, no wife	480	22	0	0	7	18	14	22
Female householder, no husband	1,738	78	25	100	33	83	49	78
Nonfamily households	6,639	40	153	26	125	43	175	54
Householder living alone	5,475	82	132	86	111	89	116	66
Householder not living alone	1,164	18	21	14	14	11	59	34
TOTAL	16,465	100	596	100	288	100	323	100

Source: American Community Survey, 2009-2013



Map 7 – Percent Female Householder with Children, 2010



Map 8 indicates that the highest percentage of women householders with children are located in the southeast portion of the City in tracts 2906 and 2907, according to the 2010 U.S. Census for which the most recent measure is available. The presence of children is specifically identified as a protected class by HUD.

## B. Income Data

Income data analyzes the income class with respect to race/ethnicity/ family type and location, as well as the incidence of poverty.

Table 3 shows that the greatest percentage of population within each race in a particular income category is clustered between \$10,000 - \$29,999 for whites, between \$100,000 - \$124,999 for Asians, between \$20,000 - \$29,999 for African Americans and between \$20,000 - \$39,999 for Hispanics. The income of whites is more evenly distributed among all income classes than in other races.

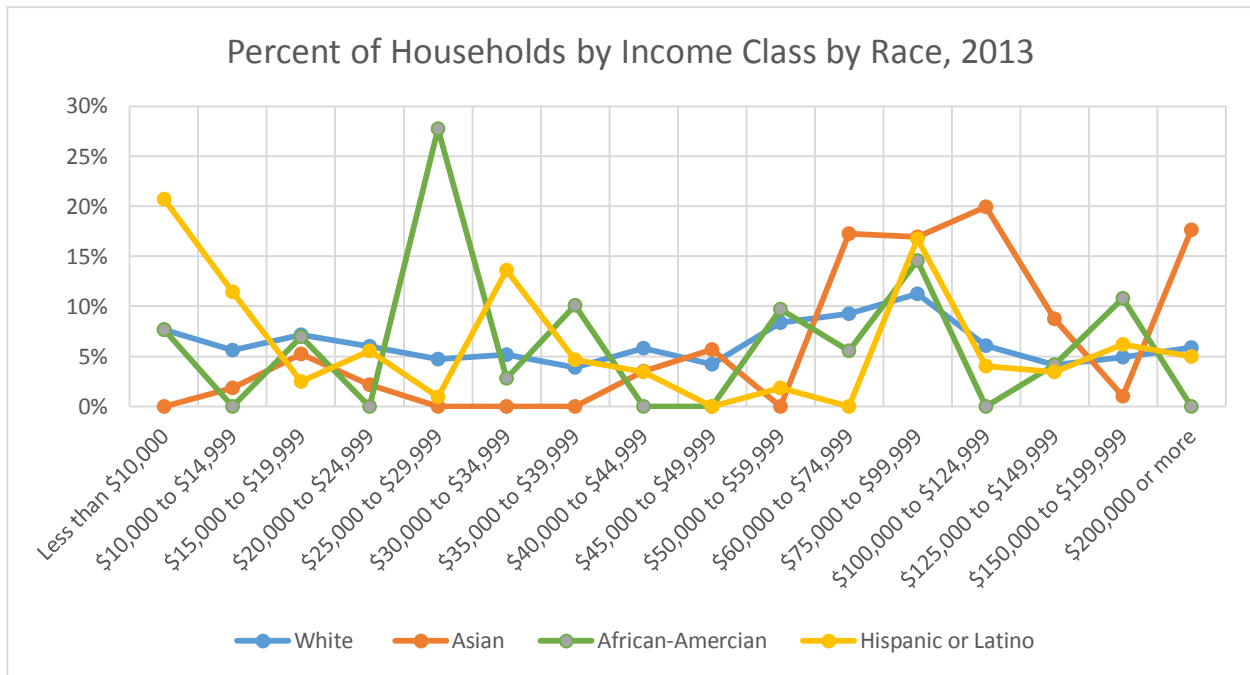
**Table 3 – Households by Race by income, 2013**

Income Class	White		Asian		Black or African-American		Hispanic	
	#	%	#	%	#	%	#	%
Less than \$10,000	1,268	8	0	0	22	8	67	21
\$10,000 to \$14,999	924	6	11	2	0	0	37	11
\$15,000 to \$19,999	1,181	7	31	5	20	7	8	2
\$20,000 to \$24,999	989	6	13	2	0	0	18	6
\$25,000 to \$29,999	782	5	0	0	80	28	3	1
\$30,000 to \$34,999	860	5	0	0	8	3	44	14
\$35,000 to \$39,999	643	4	0	0	29	10	15	5
\$40,000 to \$44,999	595	6	21	4	0	0	11	3
\$45,000 to \$49,999	699	4	34	6	0	0	0	0
\$50,000 to \$59,999	1,388	8	0	0	28	10	6	2
\$60,000 to \$74,999	1,534	9	103	17	16	6	0	0
\$75,000 to \$99,999	1,860	11	101	17	42	15	54	17
\$100,000 to \$124,999	1,001	6	119	20	0	0	13	4
\$125,000 to \$149,999	690	4	52	9	12	4	11	3
\$150,000 to \$199,999	813	5	6	1	31	11	20	6
\$200,000 or more	974	6	105	18	0	0	16	5
TOTAL	16,565	100	596	100	288	100	323	100

Source: American Community Survey, 2009-2013

Chart 1 shows this same information in graphical format, highlighting the much higher percentage of African Americans and some Hispanics at the lower end of the income scale and Asians and some Hispanics at the higher end of the same scale. Income is a factor that positively influences the ability to find adequate housing due to increased choices, however, it does not preclude possible discrimination. Lack of income limits housing choice, which may lead to more people living in inadequate housing, either in terms of size or quality, among this smaller subset of housing.

Chart 1



Source: American Community Survey, 2009-2013

**Table 4 – Income in the last 12 months at or Below Poverty level by race, 2008-2012**

Age Group	White		Asian		African-American		Hispanic	
	# in poverty	%	# in poverty	%	# in poverty	%	# in poverty	%
<b>Male:</b>	2,766	44	63	74	88	73	134	52
Under 5 years	324	12	0	0	7	8	7	5
5 to 17 years	457	17	0	0	0	0	27	20
18 to 24 years	733	27	15	24	14	16	665	49
25 to 64 years	1,098	40	48	76	59	67	35	26
65 to 74 years	62	2	0	0	8	9	0	0
75 and over	92	3	0	0	0	0	0	0
<b>Female:</b>	3,499	56	22	26	33	27	123	48
Under 5 years	271	8	0	0	0	0	12	10
5 to 17 years	640	18	0	0	0	0	14	11
18 to 24 years	554	16	0	0	25	76	10	8
25 to 64 years	1,714	49	22	100	8	24	73	59
65 to 74 years	140	4	0	0	0	0	0	0
75 and over	180	5	0	0	0	0	14	11
<b>TOTAL</b>	6,265		85		121		257	

Source: American Community Survey, 2008-2012

Table 4 reports the number and percent of people for whom income was at or below poverty rate in the last 12 months. Once again, given the very small sample size and the large margins of error in the data, the percentage are not reliable figures of poverty but are shown here as the best information available. The data does show that among whites, there is a greater

percentage of females in poverty, and of all females, children make up 26% of the poor. Among white males, children comprise 29% of the poor. Among the African American and Asian population, the poorest age groups are in the primary working years of 25 to 64 for men. In the Hispanic population in Midland, poverty is concentrated heavily in young males, 18-24, at 49% of all males for who poverty status is determined.

### C. Employment Data

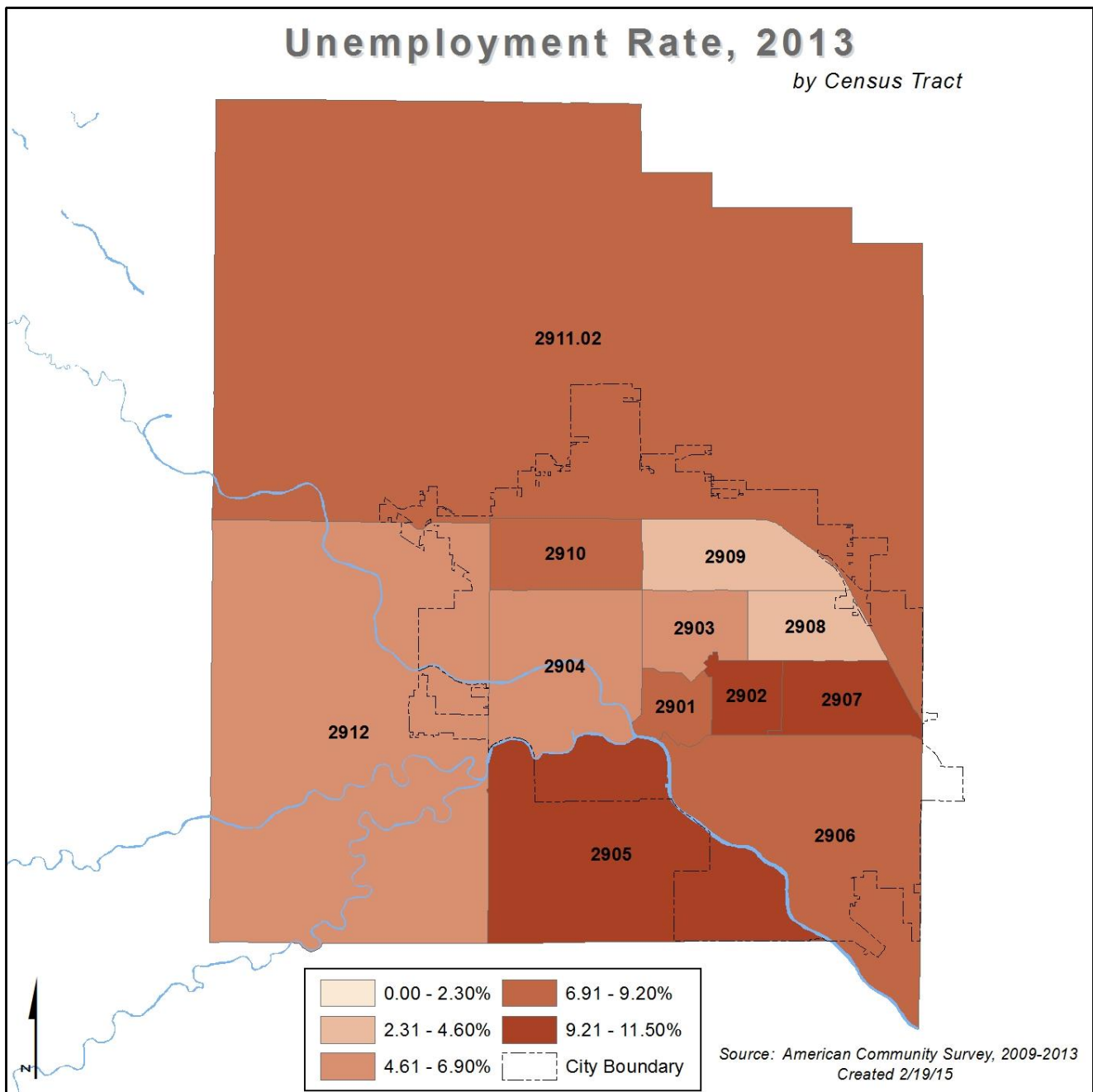
This section examines unemployment rates. The highest unemployment rates are among African Americans and Hispanics, who also have the highest participation in the labor force as a percentage of the overall population. Unemployment within these two groups, both at 15%, is more than double that of Asians and Whites, both at 7%.

**Table 5- Employment status by race, 2012**

Employment status	White		Asian		African-American		Hispanic	
	#	%	#	%	#	%	#	%
In labor force	18,718	61	781	63	488	72	534	73
Armed forces	0	0	0	0	0	0	0	0
Civilian	18,718	100	781	100	488	100	534	100
Employed	17,469	93	728	93	415	85	455	85
Unemployed	1,249	7	53	7	73	15	79	15
Not in labor force	11,883	39	454	37	190	28	195	27
TOTAL	30,601	100	1,235	100	678	100	729	100

Source: US Census 2000 and American Community Survey, 2008-2012

Map 8 – Unemployment rate, 2013



The Unemployment map shows that the highest rates for all persons are concentrated in in census tracts 2902, 2905 and 2907. The lowest unemployment rates are within the northeast portion of the city limits, in census tracts 2909 and 2908.

## D. Housing Profile

This section looks at housing stock, age of housing stock, vacancy rates, tenure and cost burdens.

From 2000-2013, the owner occupied housing unit rate has declined in the City of Midland from 65.5% of all units to 61.4%. Conversely during the same time period, renter occupied units increased by 5.8 percentage points while the vacancy rate decreased by 1.7%, to just above national average of 4%. This indicates that the total percentage of residents choosing to rent over own has increased in the 13 year period. This can be attributed to the downturn in the economy and the local job market leaving more people with less income and fewer ownership housing choices.

**Table 6 - Tenure for housing, 2013**

Housing Units	2000		2013	
	#	%	#	%
Owner occupied	11,570	65.5	11,301	61.4
Renter occupied	5,078	28.7	6,346	34.5
Vacant	1,018	5.8	759	4.1
TOTAL	17,666	100	18,406	100

Source: U.S. Census 2000, American Community Survey, 2009-2013

Table 7 shows that housing type is still heavily weighted in the City with single family detached units. Keeping in mind that these figures represent areas outside the City that are part of census tracts that are within the City, the total housing unit type includes almost 20% multiple family with another 3% being mobile homes. The sufficiency of affordable housing is not indicated by these figures but is determined by the housing cost burden represented in the figures that follow

**Table 7 – Housing type, 2013**

Units in Structure	#	%
Single family detached	11,939	64.9
Single family attached	947	5.1
2 units	664	3.6
3 or 4	642	3.5
5 to 9	1,295	7.0
10 to 19	1,049	5.7
20 to 49	393	2.1
50 or more	896	4.9
Mobile home or other	537	2.9
Boat, RV, van, etc.	44	0.2
TOTAL	18,406	100

Source: American Community Survey, 2009-2013

Table 8 represents the age of the housing in the City. The highest percentage are those built in the 1950's when there was a nationwide housing boom to house returning veterans

starting families. In Midland, the following three decades, 1960-1990, also have strong representation in the age of housing stock. This is the primary time period when the local corporations grew in size, bringing families in need of housing to Midland. As with the “type of housing” chart, these figures do not indicate adequacy of housing.

**Table 8 – Age of Housing Stock, 2014**

<b>Year built</b>	<b>#</b>	<b>%</b>
Pre 1939	1,427	7.7
1940-1949	1,237	6.7
1950-1959	3,530	19.7
1960-1969	2,681	14.5
1970-1979	3,226	17.4
1980-1989	2,809	15.2
1990-1999	2,214	12.0
2000-2009	1,264	6.8
2010 to 2012 <sup>1</sup>	18	0.1
2013‡	62	0.3
2014‡	39	0.2
<b>TOTAL</b>	<b>18,507</b>	<b>100</b>

Source: American Community Survey, 2009-2013; City of Midland Building Department

1 – This category represents only two years rather than a decade as represented by all other previous categories.

‡ - Data sourced from the City of Midland Building Department.

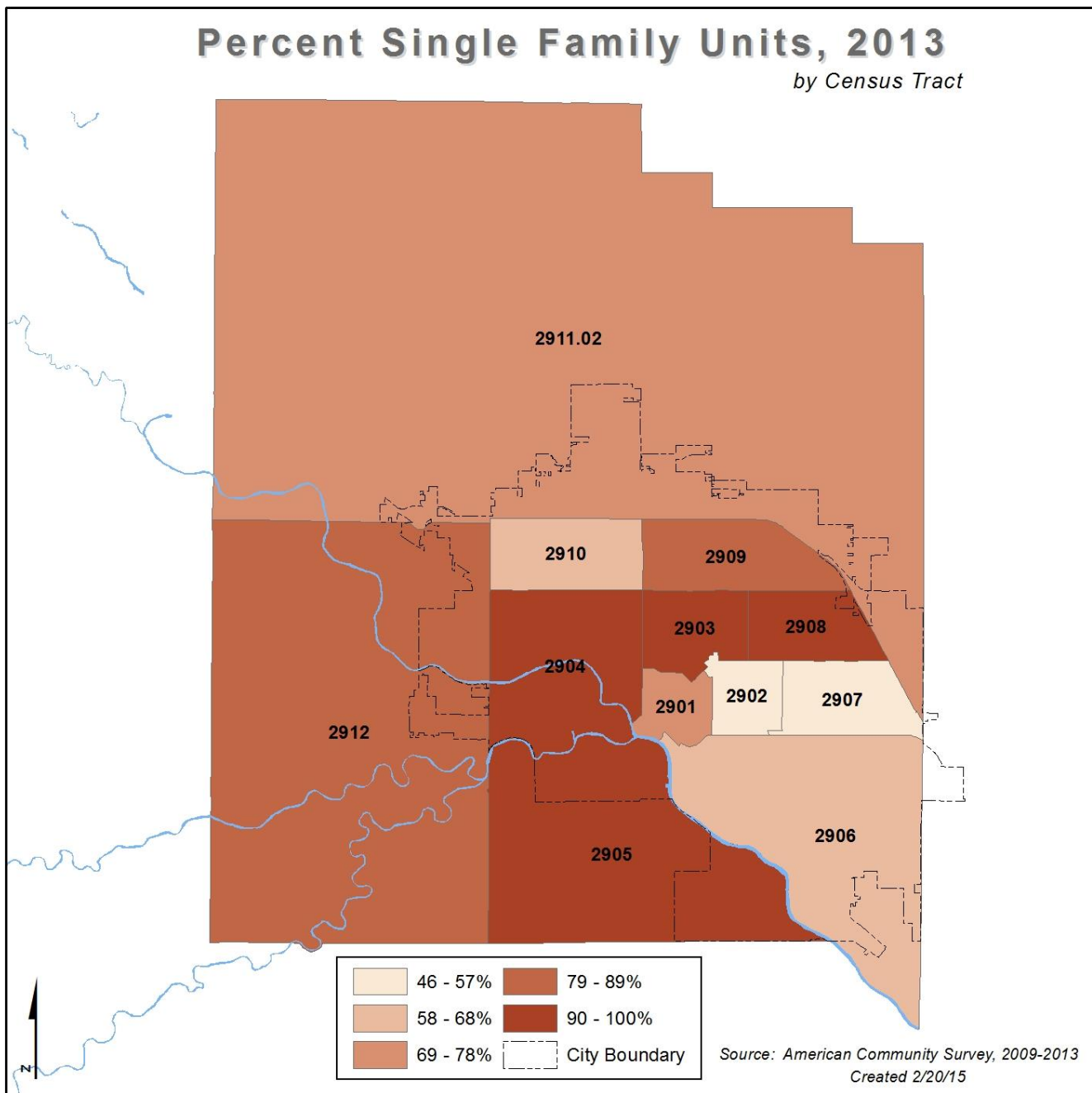
Table 9 reports the disparity in home ownership by race in the City. Of all owner occupied units, 66% are occupied by whites, followed by 47% by Hispanics, and 47% and 36% respectively for African Americans and Asians. Asians occupy rental units at a rate of 64. African Americans and Hispanics occupy rental units at rates of 53 percent with the lowest renter occupy being among whites at 34%.

**Table 9 - Tenure by Race, 2013**

<b>Tenure by race</b>	<b>Owner occupied</b>	<b>Renter occupied</b>
	<b>%</b>	<b>%</b>
White	66	34
Asian	36	64
Black or African-American	47	53
Hispanic or Latino	47	53

Source: American Community Survey, 2009-2013

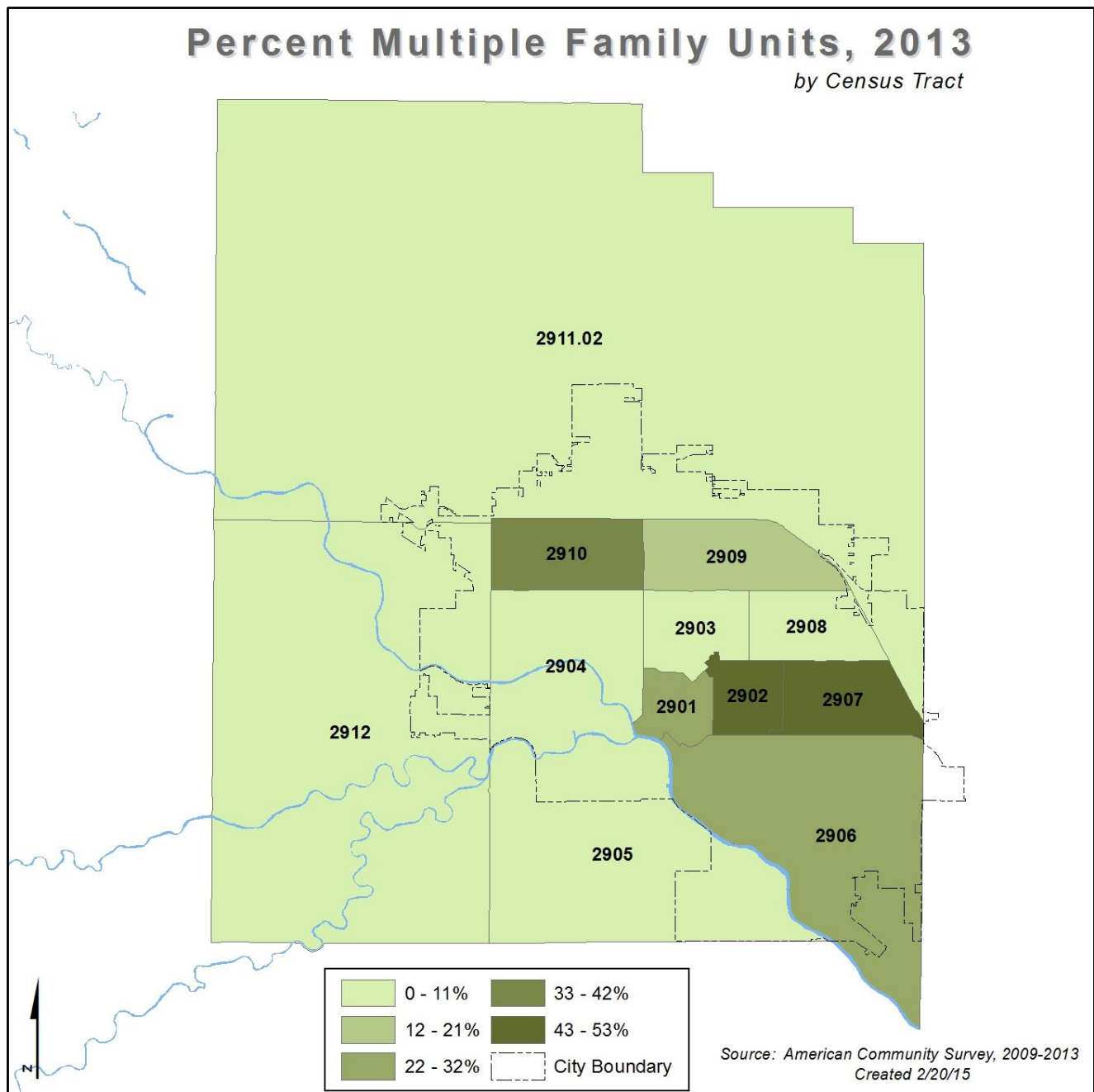
Map 9 – Percent Single Family Housing units, 2013



The highest concentration of single-family units within the city is located in tracts 2903, 2904, 2905 and 2908. Conversely, the tracts with the lowest percent of single-family units of 2902 and 2907 have the highest concentration of multiple family units, as illustrated in Map 10.

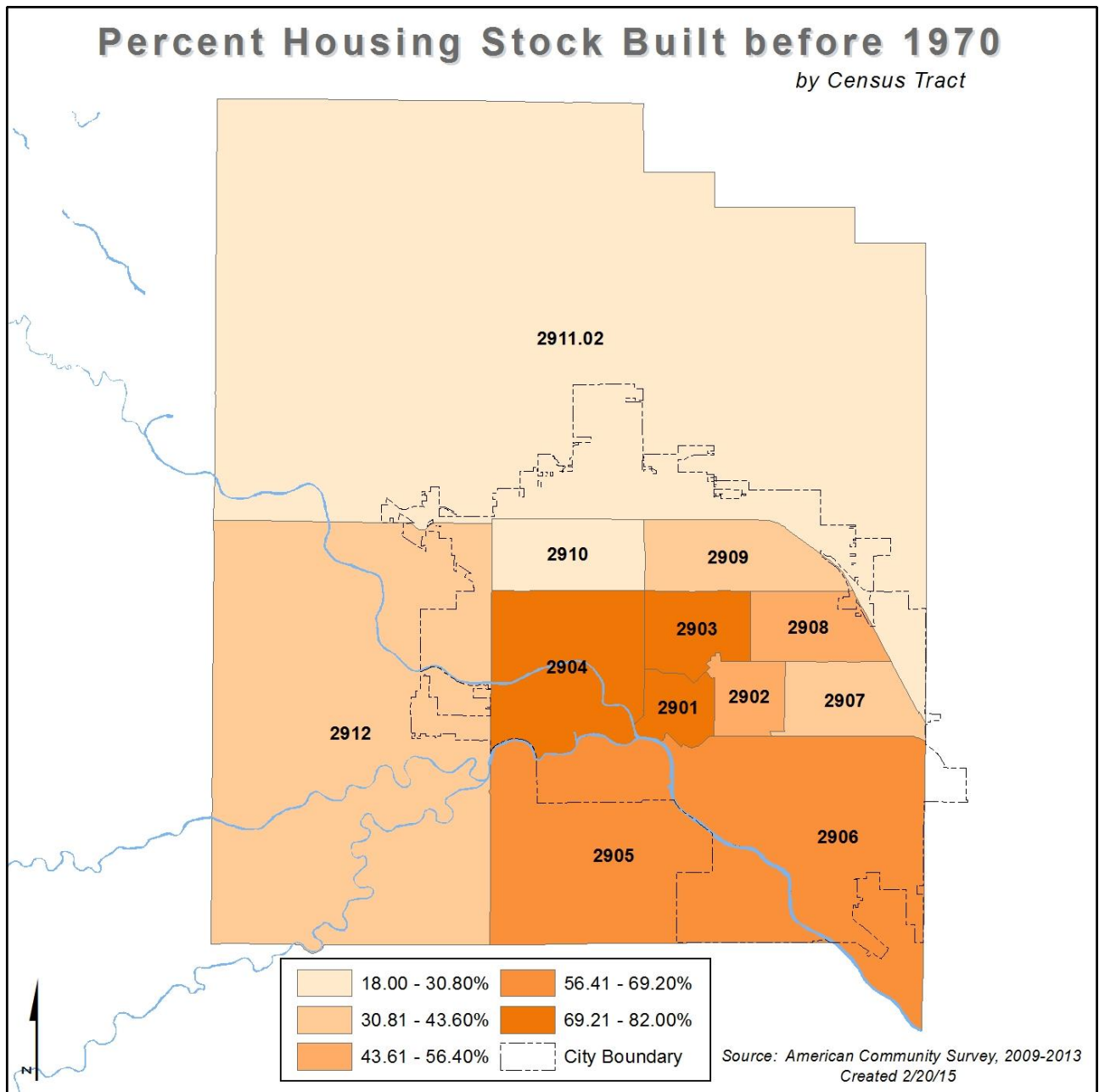


**Map 10 - Percent Multiple Family Housing Units, 2013**



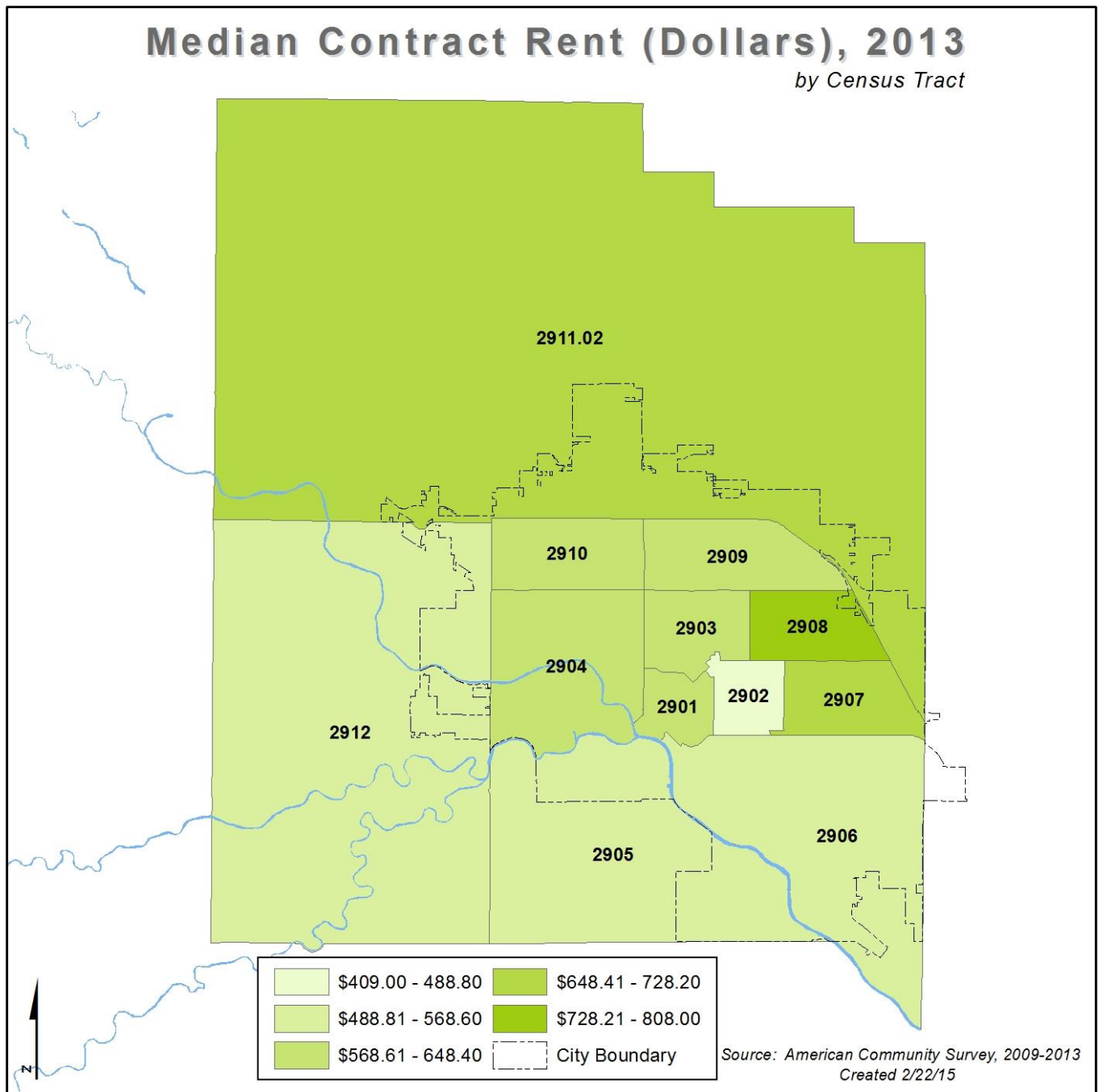
The highest percentage of multiple-family housing is located in tracts 2902 and 2907.

Map 11 – Percent pre 1970 Housing Stock



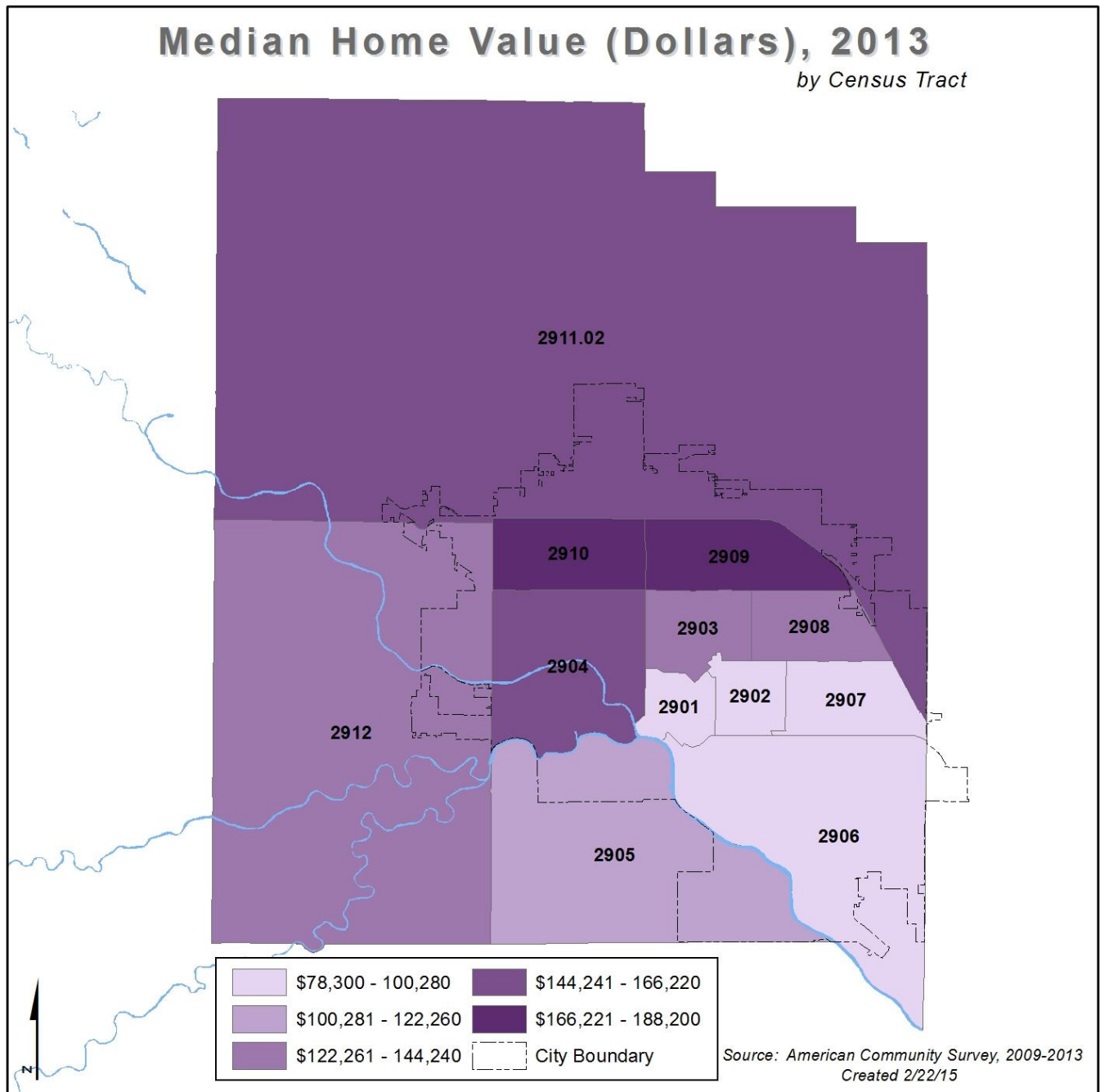
The oldest housing stock in the City, those units built before 1970, are concentrated in the central portion in tracts 2901, 2903 and 2904. Quality of housing is not always directly correlated to the age of housing, as the lowest housing value is in the southeastern portion of the city (tracts 2901, 2902, 2906 and 2907), as is shown later in Map 14.

Map 12 – Median Contract Rent, 2013



Median contract rent is lowest in tract 2902. This tract contains three large subsidized senior and family housing facilities, Cleveland Manor, Green Hill, and the city-owned Washington Woods Senior Living Community.

Map 13 – Median Housing Value, 2013



Consistent with other geographic tract data indication housing choices and needs, the southeast and central portions of the City has the lowest house value in the community. The highest value is in the northern part of the City (tracts 2909 and 2910) where newer, single family homes have been constructed.

The cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities.) For owners, housing cost is referred to as “select monthly owner costs” which includes mortgage payment, utilities, association fees, insurance and real estate taxes.

The cost burden is computed by HUD based on three levels of HUD Area Median Family Income (HAMFI). The table shows the overall income distribution as a percentage of the costs spent on housing. As demonstrated in the Income Distribution Overview portion of Table 10, the household income of greater than 100% of HAMFI represents 7,420 of all homeowners, or 62.4%, well over the majority of all home owners. As is expected, home ownership decreases as income as a percentage of housing cost decreases, to a low of 550 (4.6%) home owners in the less than or equal to 30% of HAMFI category. Among renters, this figure is spread more evenly among income levels with renters making up the majority of the lower income categories as a percentage of HAMFI categories.

The HAMFI is measured in the three levels shown in the table below. In the Housing Cost Burden section of Table 10, a cost burden of  $\leq 30\%$  means that less than or equal to 30% of all household income is spent on housing. This is the largest category for both renters and owners and is considered a safe level by many lenders and financial advisors. However, many people spend more than this on housing due to lack of income, lack of housing choice, discrimination, or several other primary reasons that this study is intended to try to identify.

**Table 10 – Cost Burden by Income and Tenure, 2011**

<b>Income Distribution Overview</b>	<b>Owner</b>	<b>Renter</b>	<b>Total</b>	<b>Percent</b>
Household Income $\leq 30\%$ HAMFI	550	1380	1930	10.8%
Household Income $>30\%$ to $\leq 50\%$ HAMFI	955	1625	2580	14.5%
Household Income $>50\%$ to $\leq 80\%$ HAMFI	1625	1265	2890	16.2%
Household Income $>80\%$ to $\leq 100\%$ HAMFI	1340	450	1790	10.0%
Household Income $>100\%$ HAMFI	7420	1205	8625	48.4%
Total	11890	5925	17815	100%
<b>Housing Cost Burden Overview</b>	<b>Owner</b>	<b>Renter</b>	<b>Total</b>	
Cost Burden $\leq 30\%$	9610	3080	12690	71.2%
Cost Burden $>30\%$ to $\leq 50\%$	1440	1625	3065	17.2%
Cost Burden $>50\%$	775	1149	1924	10.8%
Cost Burden not available	55	65	120	0.7%
Total	11890	5925	17815	100%

The following three sections of this table measure the income by cost burden for owners and renters together and then separately for owners and for renters. The lower a household income as a percentage of HAMFI and the higher the cost burden, the more distressed the financial, and likely housing, condition of the family. For instance, people with a household income less than or equal to 30% of the HUD Area Median Family Income and a cost burden of greater than 50%, are most stressed in their financial and housing situations. This category is highlighted in blue in the first table in this section as an example.

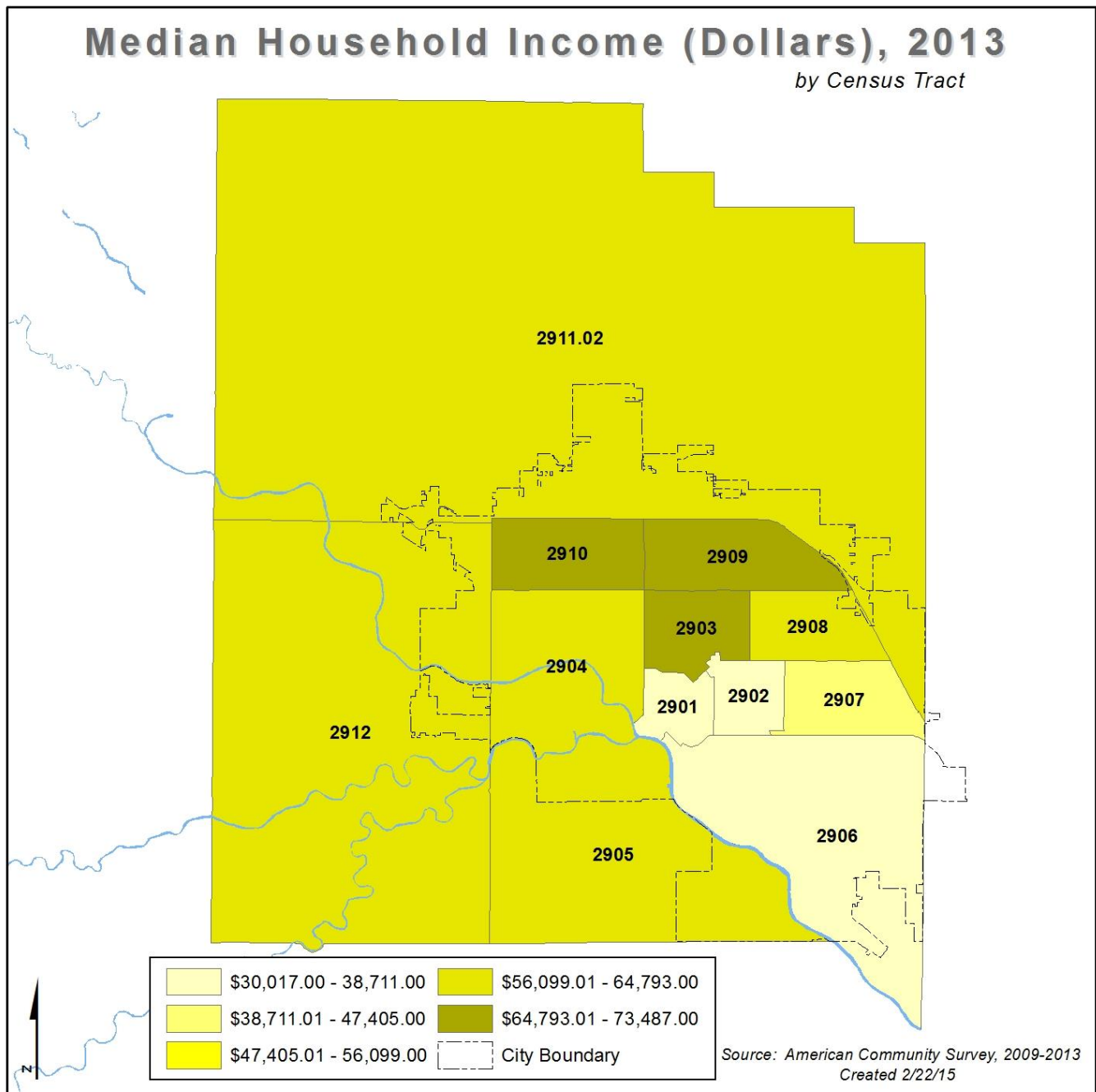
Housing is not an elastic good. People with the lowest income are paying the greatest percentage of that income for housing. There is a limited amount of variation in the cost of housing and we all must have it, so a lack of choice, one of the impediments to finding housing, is especially detrimental to this low income group of people. People who are able to purchase a house generally have more income and so there are fewer of them in the very distressed category.

Ideally, the goal of adequate housing in a community is to have housing that meets all income levels without an undue burden. We use tables such as these to identify the number and trends of these groups of people seeking housing in both the rental and owner categories. This table tells us that in Midland there is a need for more very low income and low income housing. It does not indicate that that lack is due to an impediment, only that the situation exists.

	Cost burden			Percent
Income by Cost Burden (Owners and Renters)	> 30%	> 50%	Total	Overburdened
Household Income <= 30% HAMFI	1575	1105	1935	81.4%
Household Income >30% to <=50% HAMFI	1855	570	2580	71.9%
Household Income >50% to <=80% HAMFI	875	160	2885	30.3%
Household Income >80% to <=100% HAMFI	335	80	1790	18.7%
Household Income >100% HAMFI	360	20	8625	4.2%
Total	5000	1935	17815	28.1%
	Cost burden			Percent
Income by Cost Burden (Renters only)	> 30%	> 50%	Total	Overburdened
Household Income <= 30% HAMFI	1135	775	1380	82.2%
Household Income >30% to <=50% HAMFI	1205	305	1625	74.2%
Household Income >50% to <=80% HAMFI	370	65	1265	29.2%
Household Income >80% to <=100% HAMFI	14	4	450	3.1%
Household Income >100% HAMFI	50	0	1205	4.1%
Total	2774	1149	5925	46.8%
	Cost burden			Percent
Income by Cost Burden (Owners only)	> 30%	> 50%	Total	Overburdened
Household Income <= 30% HAMFI	430	325	550	78.2%
Household Income >30% to <=50% HAMFI	650	265	955	68.1%
Household Income >50% to <=80% HAMFI	505	95	1625	31.1%
Household Income >80% to <=100% HAMFI	320	70	1340	23.9%
Household Income >100% HAMFI	310	20	7420	4.2%
Total	2215	775	11890	18.6%

Source: HUD Comprehensive Affordability Strategy (CHAS) Tables, 2011.

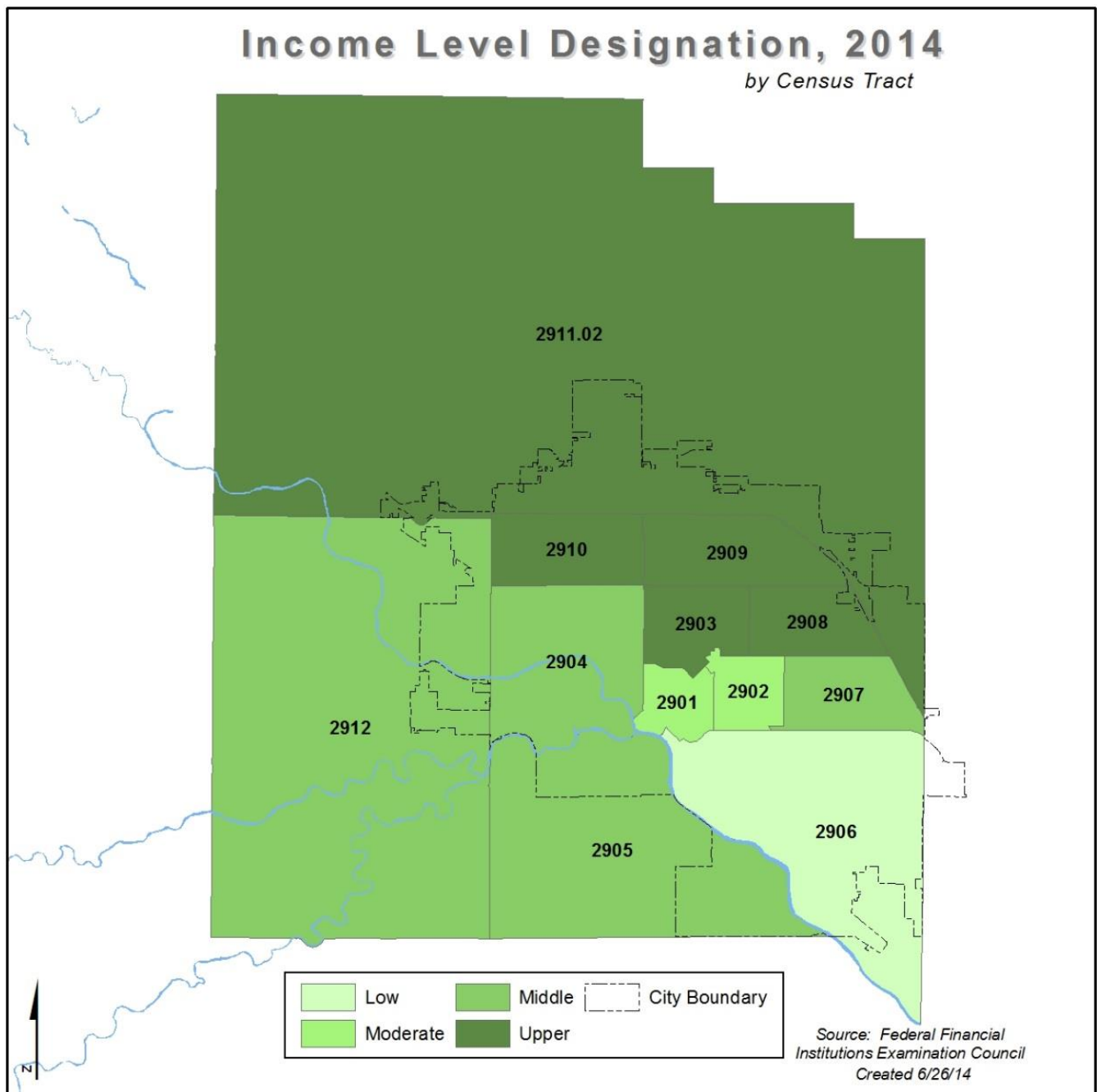
Map 14 – Median Household Income, 2013



Map 15 shows that the highest income people live in the north and central areas of the City. This portion of the city contains a mix in home value, age of housing stock and unit type (single- or multiple-family).



Map 15 – Income Level Designation, 2014



Map 16 shows the income level designations as report by the Federal Financial Institutions Examination Council which is based off of the American Community Survey. Three census tracts within the City of Midland are designated either low or moderate-income in 2014.



### III. Evaluation of Jurisdiction's Current Fair Housing Legal Status

#### A. Fair housing complaints or compliance reviews where the Secretary has issued a charge of or made a finding of discrimination

There have been no fair housing complaints or compliance reviews where the Secretary has issued a charge or made a finding of discrimination in the City of Midland in the previous eight years.

#### B. Fair housing discrimination suit filed by the Department of Justice or private Plaintiffs

There have been no fair housing discrimination suits filed by the Department of Justice or private plaintiffs in the City of Midland in the previous eight years. Legal Services of Eastern Michigan reported in late 2013 that a conciliation agreement was reached regarding a rental complex's failure to provide disability parking.

#### C. Discussion of other fair housing concerns or problems

No other fair housing concerns have been raised. The City receives complaints from tenants regarding adequacy of housing. Each is followed up with a contact to the landlord to determine the nature of the complaint and possible resolutions but these are apart from fair housing situations.

### IV. Identification of Impediments to Fair Housing Choice

#### A. Public Policies

##### 1. Zoning and Site Selection

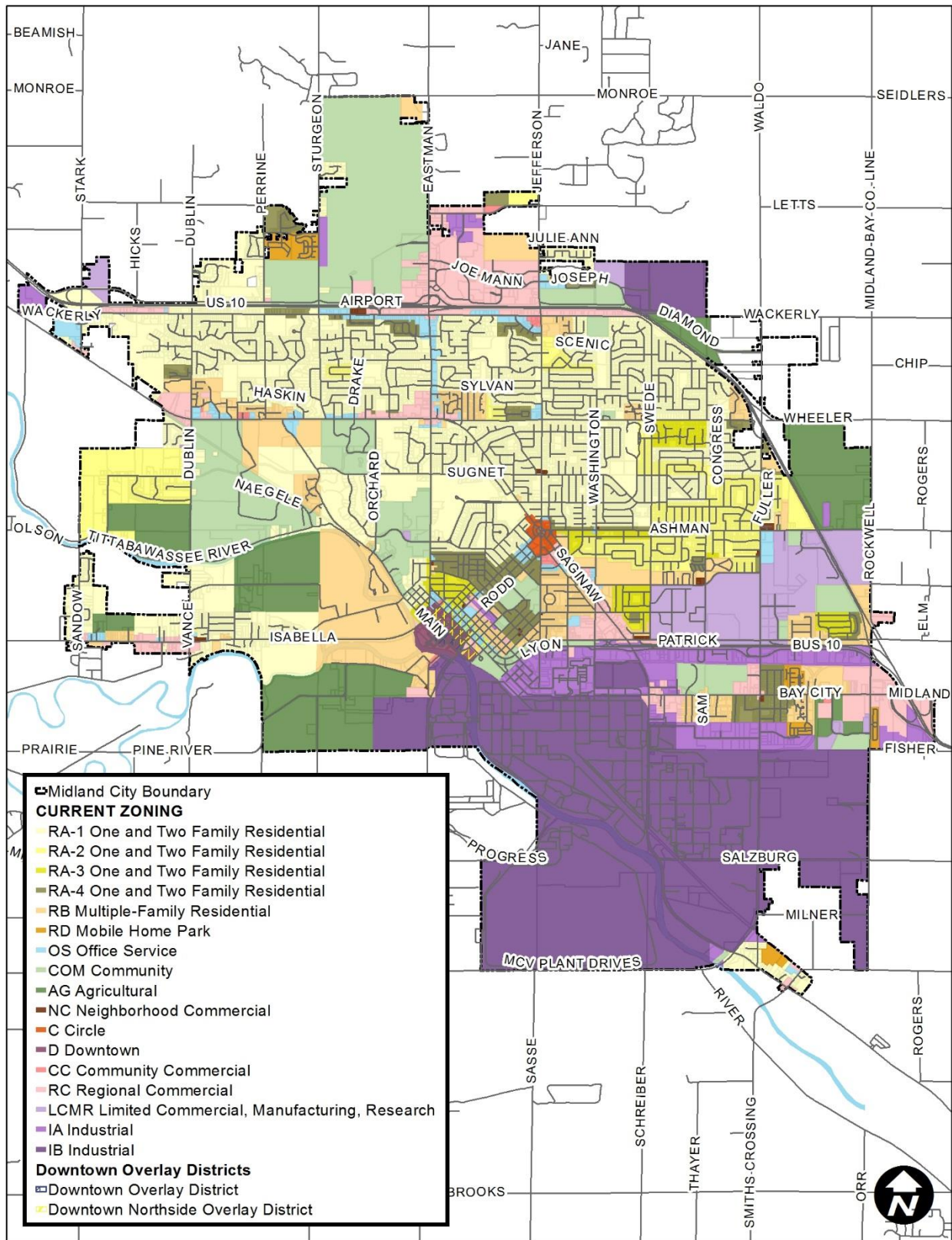
No impediments are identified as a result of the zoning process.

The City of Midland provides areas in the Future Land Use map and Zoning ordinance and map where multiple family housing and other affordable housing options are permitted. These areas are shown in the areas designated as RA-3, RA-4, Mobile Home, and as upper units in several commercial districts in the map on the following page.

The City also has a history of permitting housing options regardless of their participation in HUD funded incentives such as housing vouchers. Most recently, a 49-unit senior housing facility was permitted on the north side of the community among the highest income and highest value housing identified using census tract information (census tracts, 2903, 2904, 2908, 2909, 2910). Multiple other housing complexes throughout the City accept housing vouchers, are specifically for seniors, and have units and accommodations for the disabled.

It would be beneficial to update the housing inventory based on these criteria to determine the adequacy of affordable housing.

Map 16 – Zoning Map



## 2. Neighborhood Revitalization

The City participates with Habitat for Humanity each year to identify an area of the community that is low income and would benefit from use of CDBG funds and other local assistance in rehabilitation and/or new construction. This program is both privately and publically funded.

The City has also volunteered its staff to supervise the construction of a house for the previous 22 years, built by the local high school's Building Trades class. Since 2008, this program has led to the creation of six barrier free homes which have been sold to a person, family, or organization that is low income, disabled or serves the needs of a disadvantaged population in the community.

## 3. Property Tax Policies

The City has granted Payment in Lieu of Taxes (PILOT) options to eighteen developments in the City in the past. The City's Housing Commission has studied and made recommendations regarding changes to this policy but no action has been taken to revise the policy to date.

## 4. Building Codes (Accessibility)

The City of Midland has adopted, as of October 6, 2014, the 2012 Michigan Building Code. This code references the International Building Code which is considered the leading building code for both accessibility and safety.

## 5. Housing Rehabilitation and Accessibility Improvements

The City of Midland through the CDBG program has actively funded housing rehabilitation programs to meet the needs of low- and moderate-income homeowners throughout the city. Some of these projects involve modifications to make the dwelling more accessible for those residents who are elderly or disabled. The City has also partnered with Midland Area Homes, a local non-profit organization, to provide accessible ramps to homes within the city to meet an urgent need of the home occupant(s).

## B. Private Sector Lending Policies and Practices

"The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and implemented by Federal Reserve Board regulations. These regulations require certain banks and other mortgage lending institutions to report information about mortgage applications (amount, location of property, and type of loan), the applicant (race, sex, and income), and the application resolution (approved, denied, etc.). These files are distributed annually and made available to the public. The HMDA data were intended to assist in:

- Determining whether financial institutions are successfully meeting their communities' housing credit needs
- Targeting community development funds in ways that attract private investment to areas most in need
- Identifying potentially discriminatory lending patterns

By requiring lending information to be publicly released, the HMDA legislation recognized that community groups have a vital role to play in the enforcement of fair lending. Indeed, such groups' due diligence supplements the efforts of the government agencies formally charged with regulating the banks.

HMDA data limitations: Because not all institutions are required to file under HMDA, mortgage lending coverage for any one neighborhood may be incomplete. Coverage is particularly limited for nonmetropolitan and low-homeownership areas. Although HMDA data can provide valuable information for these areas, users should be cautious in drawing conclusions on the basis of HMDA data alone.

HMDA data provide less complete coverage of the mortgage markets in nonmetropolitan and smaller counties for several reasons.

First, depository institutions located in nonmetropolitan areas—or non-depository institutions with solely nonmetropolitan markets—are not required to file under HMDA. Second, metropolitan-based institutions are only required to enter property location information for loans originated within the metropolitan areas in which they have a branch. Thus, even if these institutions make a loan in a nonmetropolitan area, they are not required to report any geographic information. Finally, institutions do not have to identify the census tract for properties located in counties with populations of 30,000 or less as of the 2000 Census.

The HMDA data are also less useful in capturing demographic or economic changes in neighborhoods with low homeownership rates. Changes in home purchase loan amounts for one- to four-family structures might suggest changes in an area's rent levels, but only in a very indirect sense. For larger structures, HMDA data until 2004 combined all multifamily housing loans, including those for purchase, refinancing, or improvement. This mix makes the loan amount for the earlier years very hard to interpret because home improvement loans tend to be relatively small, while purchase loans tend to be relatively large. As discussed later, institutions began reporting structure type and loan purpose separately in 2004, allowing for the creation of less ambiguous multifamily indicators. While this clarifies the interpretation of the indicators, the small number of loans in a given year and not knowing the number of units in each building limits the usefulness of HMDA in understanding the multifamily housing market.” Source: DataPlace, A Guide to the Home Mortgage Disclosure Act data

HMDA data is available for the City of Midland and may be used to conduct an analysis of fair lending practices in the City. This analysis has not been completed as part of this study.

## C. Public and Private Sector

### 1. Fair Housing Enforcement

Legal Services of Eastern Michigan (LSEM) is contracted by the City through the Community Development Block Program (CDBG) to investigate fair housing complaints and conduct paired testing to determine if there is discrimination present in housing service practices.

**Table 11 – Fair Housing Testing Data, 2012-2014**

	2012			2013			2014		
<b>Rental</b>	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.
<i>National Origin</i>	3	-	5	3	-	7	2	1	3
<i>Race</i>	-	-	2	1	-	3	7	3	2
<i>Disability</i>	2	11	8	1	1	3	1	5	4
<i>Family</i>	-	-	-	-	-	-	4	-	-
<b>Sales</b>	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.	Neg.	Pos.	Inc.
<i>National Origin</i>	-	-	-	1	1	2	1	1	-
<i>Race</i>	2	1	2	-	-	-	-	-	-
<i>Disability</i>	-	-	-	1	1	1	-	-	-
<i>Testing Results: Neg. – Negative; Pos. – Positive; Inc. – Inconclusive</i>									

Since the beginning of January 2012, 96 fair housing paired tests were conducted in the City of Midland. Testing has been categorized into two groups (rental and sales) and then by protected class (national origin, race, disability, and family).

Fair housing paired tests are for measuring and documenting variations in the quality, quantity, and content of information and services offered by housing service providers to various home seekers in the protected classes. Testing is a simulation of a housing transaction for the purposes of comparing the responses given by housing providers to home seekers in different protected classes in order to determine whether or not evidence of difference in treatment is occurring. For example, a test for racial discrimination in rental housing might involve sending both a Black or African-American and a White tester, at about the same time, to an apartment building to inquire about the same or similar type of apartment.

When a test results in a positive or inconclusive manner, the housing provider is retested. If the retest results in a positive, LSEM files a complaint to HUD through the Title VIII Complaint Process. During the same three-year period (2012-14), LSEM filed six complaints on housing providers within the city.

In 2012, a complaint was filed following a disability-rental retest. In 2013, no complaints were filed by LSEM. In 2014, five complaints were filed to HUD. Three involved rental properties where disability was the protected class, one involved a sales test where the protected class was national origin, and one involved a rental property where the protected class was race.

## 2. Informational Programs

Legal Services of Eastern Michigan has provided training to landlords in fair housing practices in the past. The most recent training was completed in Midland in 2013. The City of Midland also participated in a Fair Housing Advisory Council through the end of 2012. In 2015, the Fair Housing Advisory Council began again and will continue through the Midland County Continuum of Care, of which the City of Midland is an active member.

#### D. Unlawful Segregation

Unlawful segregation has not been identified in the City according to the following definition provided for this analysis by HUD:

Unlawful segregation is “Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973, or where the Secretary has issued a charge under the Fair Housing Act regarding assisted housing within a recipient’s jurisdiction, an analysis of the actions which could be taken by the recipient to help remedy the discriminatory condition, including actions involving the expenditure of funds by the jurisdiction.”

### V. Conclusions and Recommendations to Address Fair Housing

Recommendations:

1. Create and maintain a list of all housing in Midland that may be classified as affordable based on contract rent, size, acceptance of housing assistance, disability features, rental practices and location. This list should be updated every two years and distributed to housing service agencies on a regular basis.
2. Continue to conduct paired testing on a regular and frequent basis, as funding allows. Testing should include an even variety of categories and protected classes.
3. Provide training on a regular basis to landlords regarding fair housing practices through a fair housing advisory council, through participation at local landlord or real estate investment organizations or other means.
4. Distribute fair housing and accessibility information to housing providers on an every two-year basis through the City’s rental certification program.

### VI. Action Plan

The following action plan is to outline the steps needed to address the conclusions and recommendations of the 2015 Fair Housing Plan and the dedicated time in which to take these steps.

#### **Upon Adoption**

1. A fair housing action item shall be added to the Housing Commission quarterly meeting agenda.
  - a. This agenda item shall serve as the means for the City’s Planning & Community Development staff to report on the fair housing activities conducted within the most recent quarter of the year. This report shall include results of fair housing paired testing activities, training activities, and the distribution of housing information lists and fair housing information.
  - b. This agenda item will also allow for the Housing Commission to review the fair housing activities of the city on a regular and scheduled basis.
2. Fair housing law reminder shall be included within the rental certification mailings.



- a. Rental certification within the City is required every two years. Within the notification mailing reminding landlords to renew certification, text should be included to remind landlords of their equal opportunity legal obligations under the federal and state fair housing acts.
- 3. A unit accessibility and affordability survey shall be included within the rental certification mailings.
  - a. Rental certification within the City is required every two years. Within the notification mailing reminding landlords to renew certification, a survey shall be included which will allow each landlord to report on the number of accessible and affordable units within the rental development.
  - b. The survey results will be used to acquire and update the record of number of units within the city which are identified as accessible and/or affordable.

#### **Quarterly**

- 1. The Housing Commission shall review fair housing activities during each quarterly meeting under the added fair housing action agenda item.
- 2. City staff shall continue to participate in the Fair Housing Advisory Council, as organized by the Midland County Continuum of Care.

#### **Every Two (2) Years**

- 1. The housing list of affordable and/or accessible units shall be updated in concurrence with the city's biennial rental certification program.
  - a. Reporting by landlords on a two-year cycle will allow for this rental housing list to be fully updated every two years.
- 2. The rental housing list of affordable and/or accessible units shall be distributed to nonprofit housing service providers.

#### **Every Five (5) Years**

- 1. At minimum, the City's Fair Housing Plan, which includes the Analysis of Impediments to Fair Housing Choice, shall be fully reviewed and readopted by the Housing Commission and City Council, as required by the U.S. Department of Housing and Urban Development for communities receiving Community Development Block Grant funds.

## **VII. Monitoring and Maintenance of Records**

This section summarizes the ongoing responsibilities of the jurisdiction relative to oversight of efforts to implement the remedial actions recommended in this report. It also sets forth the monitoring and maintenance of records procedures that will be undertaken to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

The Analysis of Impediments process has been conducted under the oversight and coordination of the City of Midland, Community Planning and Development Department, with the support of an independent consultant.

The Community Planning and Development Department and the City's Housing Commission will be responsible for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of

the jurisdictions' progress in implementing the remedial actions and other efforts to further fair housing choice and will therefore provide oversight of the following activities.

1. Evaluate each of the recommendations and remedial actions presented in this report, and insure consultation with appropriate City departments and outside agencies and organizations to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on City policies, fiscal impacts, anticipated impact on or remedy to the fair housing impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. They will provide recommendations for implementation to the City Manager based on this evaluation.
2. Continue to insure that all sub-grantees receiving CDBG funds have a current Affirmative Fair Housing Plan, display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate, and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.
3. Ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.
4. Incorporate fair housing requirements in its grant program community outreach and training sessions.

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the City of Midland will maintain the following data and information as documentation of the City's efforts to affirmatively further fair housing choice.

1. A copy of the Analysis of Impediments and any updates will be maintained and made available upon request.
2. A list of actions taken as part of the implementation of this report and the City's Fair Housing Plan will be maintained by city staff and made available upon request.
3. The City of Midland will submit an update of its progress to HUD at the end of each program year as part of the Consolidated Annual Performance and Evaluation Report (CAPER).

## VIII. Approval Page

Midland City Council Resolution of Approval – June 22, 2015. *See attached.*





*City Hall • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • 989.837.3300 • 989.835.2717 Fax • www.midland-mi.org*

BY COUNCILMAN WAZBINSKI

WHEREAS, the City of Midland is a designated entitlement city of the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program; and

WHEREAS, it is required that the City prepare a Fair Housing Plan which includes an analysis of impediments to fair housing choice and outlines the goals and objectives to affirmatively further fair housing within the ensuing five years; and

WHEREAS, through multiple community input opportunities and through a thorough analysis of community needs information and data, a set of goals and objectives has been developed to best affirmatively further fair housing within the city; and

WHEREAS, a 30-day public comment period was advertised beginning May 10, 2014 and ending June 9, 2014, for the purpose of receiving public comment on the 2015 Fair Housing Plan; and

WHEREAS, two public input sessions were advertised on June 21, 2014 and held on July 9, 2014 at 3:00 p.m. & July 10, 2014 at 5:00 p.m. in the City Council Chambers Overflow, City Hall, 333 West Ellsworth Street, Midland, Michigan, for the purpose of receiving public comment on the 2015 Fair Housing Plan; and

WHEREAS, on June 1, 2015, the Housing Commission unanimously recommended approval of the proposed 2015 Fair Housing Plan; now therefore

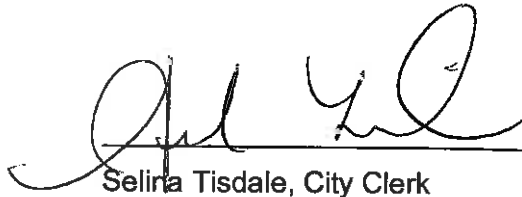
RESOLVED, that the City Council hereby approves the proposed 2015 Fair Housing Plan.

YEAS: Arnosky, Brown Wilhelm, Donker, Wazbinski

NAYS: None

ABSENT: None

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a 4/0 yeas vote of all the Councilmen present at a regular meeting of the City Council held Monday, June 22, 2015.



Selina Tisdale, City Clerk